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August 17, 2015 via electronic filing

Marlene H. Dortch, Secretary Office of the Secretary Federal Communications Commission 445 12th Street, SW, Room TW-A325 Washington, D.C. 20554

Re:

Opposition to Petition for Exemption from the Commission's Closed Captioning Rules

CGB Dkt. No. 06-181

Charles Perry Ministries, Inc./Restoring Lives CGB-CC-1344

Dear Ms. Dortch:

Telecommunications for the Deaf and Hard of Hearing, Inc. (TDI), Association of Late Deafened Adults (ALDA), American Association of the Deaf-Blind (AADB), and Cerebral Palsy and Deaf Organization (CPADO), collectively, "Consumer Groups," respectfully submit this opposition to the petition of Charles Perry Ministries, Inc./Restoring Lives (Charles Perry Ministries) for exemption of its programming from the Federal Communications Commission's closed captioning rules.

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This is a case of a small organization attempting to isolate itself from its larger parent organization in order to appear more sympathetic when it comes to claiming an economic burden. TDI asks that the Commission deny Charles Perry Ministries' petition because it has not disclosed all financial resources available to its program and because it has been less than candid with the Commission.

I. Legal Standard

Under Section 713(d)(3) of the Communications Act of 1934, as amended, a video programming provider may petition the Commission for a full or partial exemption from the Commission's closed captioning requirements if compliance would be "economically burdensome." When determining whether a petitioner has made the required showing under the economically burdensome standard, the Commission considers the following factors on a case-by-case basis: (1) the nature and cost of the closed captions for the programming; (2) the impact on the operation of the provider or program owner; (3) the financial resources of the provider or program owner; and (4) the type of operations of the provider or program owner. The Commission will assess the overall financial resources available to a petitioner by looking at a petitioner's current assets, current liabilities, revenues, expenses, and other documentation "from which its financial condition can be assessed." In addition, petitioners must submit their overall financial resources to determine whether captioning would be economically burdensome, not merely the budget for their programming.³

II. Background

Word of Restoration Christian Fellowship (Word of Restoration),⁴ of which Charles Perry Ministries is an "integrated auxiliary," filed a petition for exemption from the Commission's closed captioning rules in December 2011 for the weekly half-hour program "Restoring Lives." In August of 2012, the Bureau requested additional information, including "[d]ocumentation of the Word of Restoration Christian

¹ First Baptist Church, Jonesboro, Arkansas, 29 FCC Rcd 12833, ¶3 (2014) (First Baptist).

 $^{^2}$ Id. at ¶¶ 13-14; see also First United Methodist Church of Tupelo, Dkt. No. 06-181, DA 15-154, ¶13 (Feb. 3, 2015); Curtis Baptist Church, 29 FCC Rcd 14699, ¶14 (2014); First Lutheran Church of Albert Lea, 29 FCC Rcd 9326, ¶¶14-15 (2014).

³ First Baptist, 29 FCC Rcd 12833, ¶¶13-14.

⁴ The organization is now named Word of Restoration International Church. *See* Charles Perry Ministries Supplement (Oct. 6, 2014) at 4.

⁵ Word of Restoration Petition (Dec. 8, 2011). The program now airs five days per week. Charles Perry Ministries Petition (Apr. 10, 2014) at 1.

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Fellowship's financial status."⁶ After failing to provide the requested information, the petition was dismissed as incomplete on November 13, 2012.⁷ The Bureau informed Word of Restoration of this dismissal on July 19, 2013 and reminded Word of Restoration that it must comply with the FCC's closed captioning requirements.⁸

On October 4, 2013, Charles Perry Ministries, an "integrated auxiliary" of Word of Restoration,⁹ entered a one-year contract to air "*Restoring Lives*" Monday through Friday from 6am to 6:30am on KUBE-TV in Houston, Texas beginning December 30, 2013. The contract stated that "[t]he FCC requires that all programming airing Monday through Sunday 6am to 2am require closed captioned (sic)" and that "[i]t is the responsibility of Charles Perry Ministries to have all programs closed captioned, if airing after 6am." ¹⁰ In addition, the contract stated that "KUBE-TV offers closed captioning for \$100 per program."

On April 10, 2014, over six months after contracting with KUBE-TV to air "Restoring Lives" at 6am, and over three month after the 6am airing was set to begin, Charles Perry Ministries filed a petition for exemption from the Commission's closed captioning rules. The petition stated that, "[t]o avoid the added expense and economic burden of the FCC's closed captioning rules, 'Restoring Lives' has been distributed in the late night hours (5:30am CST), which are exempt from the closed captioning rules," and that "the Ministry will soon begin distributing 'Restoring Lives' at 6:00 am CST, and, therefore, no longer be exempt from the closed captioning rules." The petition made no reference to Word of Restoration. In addition, the petition provided two quotes for captioning services for \$750 and \$2,625 per week, 12 but made no mention of the KUBE-TV offer to caption for \$100 per episode, or \$500 per week. The petition also stated that KUBE-TV was "unable to assist with captioning the program." 13

⁶ CGB Letter to Chanté Green, Dkt. 06-181 (Aug. 15, 2012) at 2.

⁷ CGB Letter to Chanté Green, Dkt. 06-181 (Jul. 19, 2013).

⁸ *Id*.

⁹ See Charles Perry Ministries Supplement (Oct. 6, 2014) at 3, 5; Charles Perry Ministries Supplement (Jul 2, 2015) at 4.

¹⁰ Charles Perry Ministries Supplement (Oct. 6, 2014) at 40.

¹¹ Charles Perry Ministries Petition at 1.

¹² *Id.* at 2. Because the quote for \$750 per week from Lovell Banks Productions was undated, it was not considered by the Commission. CGB Letter to Chanté Green, Dkt. 06-181 (Sep. 5, 2014) at 1-2.

¹³ Charles Perry Ministries Petition at 2.

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On September 5, 2014, the Bureau requested additional information from Charles Perry Ministries, including clarification on "the relationship between Charles Perry Ministries, Inc., the program, Restoring Lives, and the Word of Restoration Christian Fellowship."14 The Bureau explained that it "must consider the overall financial resources of an entity that petitions for an exemption in determining the merits of the exemption request."15 Specifically, the Bureau noted that, according to worcf.org, Word of Restoration launched "Restoring Lives" in 2011; that the closed captioning quotes provided were addressed to Word of Restoration; that the "sponsor rejection letters" submitted were addressed to Chanté Green at Word of Restoration and to Chanté Green at the "Media Department" of Word of Restoration; that the mailing address for Charles Perry Ministries is the same as the mailing address for Word of Restoration; that Chanté Green, who submitted Charles Perry Ministries' petition as "Media Director of Charles Perry Ministries, Inc.," is also identified as multimedia staff at Word of Restoration with an e-mail address at worcf.org; and that the organization is named Charles Perry Ministries, Inc. while Charles Everett Perry is listed as multimedia staff at Word of Restoration.¹⁶

On October 6, 2014, Charles Perry Ministries provided a supplement that included two additional quotes for captioning services for \$145 per episode and \$174 per episode, ¹⁷ each of which were again higher than the KUBE-TV offer to caption for \$100 per episode. The contract containing the captioning quote was included in the supplement, but the quote was not referred to. In addition, the supplement states that "Charles Perry Ministries is an integrated auxiliary of Word of Restoration International Church" and that Charles Perry, who started Charles Perry Ministries, is Word of Restoration's senior pastor.¹⁸ The supplement also notes that "[b]ecause of its relationship with the Church, many of the volunteers of the Ministry are affiliated with the Church," that "the Church allows the Ministry to use its recording equipment to record *Restoring Lives* each week," and that "[t]he Church . . . leases space to the Ministry." The supplement included statements of income and expenses for 2012 and 2013, neither of which appear to include an expense of leasing space from Word of Restoration.²⁰

¹⁴ CGB Letter to Chanté Green, Dkt. 06-181 (Sep. 5, 2014) at 4.

¹⁵ *Id*.

¹⁶ *Id.* at 4-5.

¹⁷ Charles Perry Ministries Oct. 6, 2014 Supplement at 1, 10, 12.

¹⁸ *Id.* at 5.

¹⁹ *Id*.

²⁰ See id. at 15-21.

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On June 23, 2015, the Bureau again requested additional information, including additional financial information and a clarification on the KUBE-TV offer to caption.²¹ In its response, Charles Perry Ministries confirmed that, under the contract, "KUBE-TV offered closed captioning services (completed by a third party organization) at a cost of \$100.00 per episode," and stated that "[s]ince signing the contract in 2013, KUBE-TV has increased their closed captioning services to \$130.00 per episode." Charles Perry Ministries' petition was placed on public notice on July 16, 2015.²³

III. The FCC should dismiss Charles Perry Ministries' waiver request because it has not fully disclosed all available financial resources and because it has been less than candid with the Commission.

Consumer Groups believe that Charles Perry Ministries has failed to disclose to the Commission all available financial resources, including those of its parent organization, Word of Restoration. In addition, it has not been fully candid with the Commission regarding several aspects of its petition, including misrepresenting its captioning costs. These should be grounds for dismissal of the petition.

Charles Perry Ministries repeatedly admits to being an "integrated auxiliary" of Word of Restoration.²⁴ Moreover, as evidenced by its filings, Charles Perry Ministries is essentially Word of Life's media department. They are comprised of the same staff²⁵ and use the same space²⁶ and the same resources.²⁷ Nevertheless, Charles Perry

²¹ CGB Letter to Chanté Green, Dkt. 06-181 (Jun. 23, 2015).

²² Charles Perry Ministries Supplement (Jul. 2, 2015) at 5.

²³ Request for Comment on Request for Exemption from Commission's Closed Captioning Rules, Public Notice, DA 15-820, Dkt. 06-181 (Jul. 16, 2015).

²⁴ See Charles Perry Ministries Supplement (Oct. 6, 2014) at 3, 5; Charles Perry Ministries Jul 2, 2015 Supplement at 4.

²⁵ Charles Everett Perry is still a member of the multimedia staff at Word of Restoration and Chanté Green is both Media Director of Charles Perry Ministries and multimedia staff at Word of Restoration. CGB Letter to Chanté Green, Dkt. 06-181 (Sep. 5, 2014) at 5. In addition, according to Charles Perry Ministries, "[b]ecause of its relationship with the Church, many of the volunteers of the Ministry are affiliated with the Church." Charles Perry Ministries Supplement (Oct. 6, 2014) at 5.

²⁶ According to Charles Perry Ministries, "[t]he Church . . . leases space to the Ministry." Charles Perry Ministries Supplement (Oct. 6, 2014) at 5. However, neither of the income and expense reports for 2012 and 2013 appear to include an expense of leasing space from Word of Restoration. *See id.* at 15-21.

²⁷ Word of Restoration "allows the Ministry to use its recording equipment." *Id.* at 5.

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Ministries has repeatedly failed to provide financial information for Word of Restoration, which the Bureau has sought since the initial petition regarding "Restoring Lives" was filed by Word of Restoration in 2011. ²⁸ These repeated failures occurred despite the Bureau's clear concern regarding "the relationship between Charles Perry Ministries, Inc., the program, Restoring Lives, and the Word of Restoration Christian Fellowship" and the Bureau's explicit notice that it "must consider the overall financial resources of an entity that petitions for an exemption in determining the merits of the exemption request." ³⁰

Consumer Groups also note a contradiction in Charles Perry Ministries' filings. In its April 10, 2014 petition, Charles Perry Ministries states that, "the Ministry *will soon begin* distributing 'Restoring Lives' at 6:00 am CST." However, according to its contract with KUBE-TV, "*Restoring Lives*" was set to begin broadcasting at 6am on December 30, 2013, over three full months before the petition was filed.³²

In another instance, Charles Perry Ministries appears to have been less than candid with the Commission by misrepresenting its captioning costs. The four different captioning quotes submitted by Charles Perry Ministries were all higher than the very reasonable \$100 per episode offer made by KUBE-TV in its contract.³³ Charles Perry Ministries did not acknowledge this offer until the Bureau discovered it in the contract and asked for clarification.³⁴

Consumer Groups believe that these actions warrant a dismissal of Charles Perry Ministries' petition.³⁵ Charles Perry Ministries epitomizes the problem of small organizations attempting to isolate themselves from their larger parent organization in order to appear more sympathetic when it comes to claiming an economic burden. In this case, in addressing why it was unable to provide certain tax information, Charles Perry Ministries explained that "as an integrated auxiliary of a church, Word of

³¹ Charles Perry Ministries Petition at 1 (emphasis added).

²⁸ CGB Letter to Chanté Green, Dkt. 06-181 (Aug. 15, 2012) at 2.

²⁹ CGB Letter to Chanté Green, Dkt. 06-181 (Sep. 5, 2014) at 4.

³⁰ *Id*.

³² Charles Perry Ministries Supplement (Oct. 6, 2014) at 40.

³³ Charles Perry Ministries Petition at 2; Charles Perry Ministries Supplement (Oct. 6, 2014) at 1, 10, 12.

³⁴ CGB Letter to Chanté Green, Dkt. 06-181 (Jun. 23, 2015) at 4.

³⁵ If the Bureau does not dismiss the petition, it should, at the very least, require Charles Perry Ministries to provide financial information of Word of Restoration so that the Bureau can get a true sense of the financial resources available to "Restoring Lives."

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Restoration International Church (formerly known as Word of Restoration Christian Fellowship), the Ministry is not required to file IRS Form 990."³⁶ A petitioner for closed captioning exemption should not be able to claim independence from a larger organization while simultaneously relying on its relationship with that organization as a reason for not being able to provide certain financial information.

If Charles Perry Ministries had provided Word of Restoration's financial information, it very likely would have been apparent that captioning "Restoring Lives" would have been affordable, because even Charles Perry Ministries, if improperly viewed in isolation, appears to be able to afford it. Through their contract with KUBE-TV, "Restoring Lives" could have been captioned for \$100 per episode³⁷ in 2014 at an annual cost of \$26,000. Because it is unclear whether every episode of "Restoring Lives" is original or how frequently episodes repeat, it is possible that these costs could be even lower. However, even if its captioning costs would have been \$26,000, Charles Perry Ministries' 2014 profits were \$33,395.83.38 Therefore, if this offer had been utilized to caption, Charles Perry Ministries would have still had a profit of \$7,395. Charles Perry Ministries notes in its July 2, 2015 supplement that, "[s]ince signing the contract in 2013, KUBE-TV has increased their closed captioning services to \$130.00 per episode."39 If true, captioning would now cost \$33,800 annually. A repeat profit of \$33,395.83 in 2015 would cover all but \$404.17 of these captioning costs. If Charles Perry Ministries can afford almost all of the cost of captioning, the organization of which it is an "integrated auxiliary," Word of Restoration, certainly could. Therefore, the petition should be dismissed.

V. Conclusion

For the reasons described above, Consumer Groups respectfully request that the Commission deny the waiver petition of Charles Perry Ministries.⁴⁰ If the Commission views Charles Perry Ministries in isolation from Word of Restoration and concludes that Charles Perry Ministries has demonstrated that its financial situation makes

³⁶ *Id.* at 3-4.

³⁷ Charles Perry Ministries Supplement (Oct. 6, 2014) at 40.

³⁸ Charles Perry Ministries Supplement (Jul. 2, 2014) at 14, 21.

³⁹ *Id.* at 5.

⁴⁰ If the Commission does not deny the petition, Consumer Groups request that it should, at the very least, require Charles Perry Ministries to provide financial information of Word of Restoration so that the Bureau can get a true sense of the financial resources available to "*Restoring Lives*."

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captioning costs economically burdensome, Consumer Groups ask that the Commission only approve an extremely limited exemption. Given the evolution of technology, potential drops in the cost of captioning over time, and the possibility that the financial status of a petitioner may change, the Commission should refrain from granting lengthy or open-ended exemptions.

Sincerely,

/s/ Drew Simshaw Angela Campbell Institute for Public Representation

Counsel to TDI

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CERTIFICATION

Pursuant to 47 C.F.R. §§ 1.16 and 79.1(f)(9), I, Claude Stout, Executive Director, Telecommunications for the Deaf and Hard of Hearing, Inc. (TDI), hereby certify under penalty of perjury that to the extent there are any facts or considerations not already in the public domain which have been relied on in the foregoing document, these facts and considerations are true and correct to the best of my knowledge.

Claude Stout

August 17, 2015

Claude L. Stout

CERTIFICATE OF SERVICE

I, Niko Perazich, Office Manager, Institute for Public Representation, do hereby certify that, on May 11, 2015, pursuant to the Commission's aforementioned Public Notice, a copy of the foregoing document was served by first class U.S. mail, postage prepaid, upon the Petitioners at the address listed below.

Charles Perry Ministries, Inc. c/o Ryan Peak, Staff Attorney Asiatico Law, PLLC 5850 Granite Parkway, Ste. 900 Plano, TX 75024-6748

Niko Perazich Institute for Public Representation

August 17, 2015